

DOWNTOWN SUMTER REVITALIZATION LOAN PROGRAM
\$2,500,000 Combined Available Funds
Revised 7/1/04

The City of Sumter, Santee Lynches Regional Development Corporation, and eight area financial institutions have established a Low Interest Loan Program to encourage development, re-development and general improvement to commercial and residential properties in the Sumter downtown business district. The eligible area is bounded by Calhoun Street south to Bartlette and Sumter Street east to Harvin Street.

Any commercial or residential project in the eligible area qualifies under the program. The main objective of the program is to provide a strong financial incentive for the rehabilitation of the exterior and interior of building structures in downtown Sumter and to help stimulate more business openings in the Downtown area.. Another goal is to insure that the proposed rehabilitation work is of a quality design and is sensitive to the architectural and historical qualities that make our downtown buildings distinctive.

FINANCIAL INSTITUTIONS

There will be eight financial institutions that will participate in the pool. Each bank has agreed to set aside \$250,000 for the program. Santee Lynches Regional Development Corporation and The City of Sumter have also committed \$250,000 each. The banks are as follows:

Bank of America, BB&T, Citizens Bank, First Citizens Bank, NBSC, Sumter National Bank, and Wachovia Bank.

THE PROCEDURE

1. Applicant contacts the Downtown Development Manager with proposed plans. The applicant will be asked to complete a preliminary application.
2. If the preliminary application is approved, the applicant will determine which participating bank they prefer to utilize. The applicant then provides all information and documentation that the bank determines necessary to make the credit decision. If a business plan is needed, the applicant will be referred to the Small Business Development Center for assistance. All approvals and commitments will be made based on the internal guidelines of each participating lender in conjunction with the Santee Lynches Regional Development Corporation.
3. The bank group and Santee Lynches will assist in the underwriting and closing of all of the loans. After closing, all servicing and collection of payments will be administered by each of the respective lenders for each of the loans

4. LOAN STRUCTURE

Up to Ninety percent (90%) of the project's costs or appraised value, whichever is less, will come from the loan pool. On each loan that is submitted for approval, the City of Sumter will commit to provide up to twenty percent (20%), but not exceeding \$50,000, of the costs of the project in the form of a low interest second mortgage loan set at an interest rate of 2% to 4%. Santee Lynches Regional Development Corporation will participate with a loan of 30% of the project's costs with amortization and terms that will match the first mortgage loan that is provided by the bank pool. The borrower will be required to put in ten percent (10%) equity of the total project costs.

A typical structure will be as follows:

40%	Bank Loan Pool	(1 st Mortgage)
30%	Santee Lynches	(2 nd Mortgage)
20%	City of Sumter	(2 nd Mortgage) <i>(Limit \$50,000)</i>
<u>10%</u>	Equity-Borrower	
100%		

BANK LOAN GUIDELINES

Each loan will be analyzed on its own merits to determine the credit worthiness of the applicants and the feasibility of the proposed project being successful. The bank pool will require a first mortgage on the property as primary collateral and will require the personal guaranties of the principals. Other collateral will be established on a case-by-case basis. The City of Sumter and Santee Lynches will require a second mortgage with the same guaranties as outlined above.

All loans will have a maximum amortization period of fifteen (15) years. The City of Sumter's interest rate will be fixed at a rate of 2% to 4%. Santee Lynches interest rate will be fixed at 5.5% for up to fifteen years.

The portion of the loan provided by the participating bank shall be available as follows:

Option A: *(Fixed Rate)*

The banks rate will be fixed at Wall Street Prime minus one percent, not to fall below six percent (6%) nor exceed nine percent (9%). This rate will remain on a fixed basis for a period of up to five years. At that point, the rate will be again adjusted to a market rate of interest negotiated by the bank and the borrower. All loans will have a maximum amortization period of fifteen (15) years.

Option B: *(Variable Rate)*

The banks rate will be current Wall Street Prime minus one half of one percent for a period of up to five years. This shall be a variable rate with no upper or lower limits. The rate shall be adjusted with changes in the prime rate. The amortization may be for up to 15 years with the payment being comprised of equal principal payments plus interest.

The loan amount eligible for the program cannot exceed \$250,000 per project/location. Banks may make exceptions to this maximum at their discretion. If a borrower applies for a loan in excess of \$250,000, then the low interest second mortgage loan offered by the City of Sumter and Santee Lynches would be limited to \$50,000 and \$200,000 respectively. (Example: A project requires a total cost of \$300,000. The bank would lend \$130,000 on a first mortgage and the City of Sumter and Santee Lynches would provide up to a \$50,000 and \$90,000 respectively in second mortgage loans. This would require the borrower to put in equity of \$30,000, which is 10% of the total cost.)

BANK PARTICIPATION

The participating bank will be represented on the Application Review Committee. The committee will also have representation from the City of Sumter and the Santee-Lynches Regional Development Corporation. All loan applications in the amount of \$250,000 or less will be handled on a one on one basis by each bank for processing. The designated bank has the option to refer the loan back to the committee when the risk factors are higher than the bank prefers. For loans of more than \$250,000 approving banks will participate equally with the rotating bank acting as lead. Bank participation on loans is at the discretion of each bank.

It should be understood that all projects would be approved on a first come, first served basis until all of the budgeted low interest funds are expended. The program can expire at anytime based on available funds.

The Downtown Sumter Revitalization Loan Program is aimed at fostering private reinvestment in the Downtown Business District. Persons interested in learning more about the program or in obtaining financing information should contact:

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SUMTER DOWNTOWN REVITALIZATION LOAN PROGRAM
APPLICATION REVIEW COMMITTEE

<u>Organization</u>	<u>Contact</u>	<u>Phone/Fax#</u>
Wachovia Bank	Randy Brown	778-7705 / 778-7747
NBSC	Carlton Davidson	778-8297 / 778-8340
Bank of America	Stephen Arsott	778-4201 / 778-4255
BB&T	P/J. Watson	775-9323 / 778-2287
Sumter National Bank	Bob Smith	775-7701 / 775-7811
First Citizens Bank	Rocky Knolton	775-1225 / 775-1228
Citizens Bank	Lee Holloway	469-2626 / 469-4070
City of Sumter	Ray Reich	436-2535 / 436-2627
SLRDC	Walter Dunlap	775-7381 / 773-9903



Low Interest Loan Pool

For More Information Contact:
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